



Coastal Alabama Fisheries Fund Application for Oyster Aquaculture

Program Overview/ Purpose

An increased production of oysters in Mobile and Baldwin counties of Alabama will be a key contributor to expanding the region's seafood industry. The Mobile Bay National Estuary Program is working to help make loan financing available to commercial watermen and others interested in expanding the number/size of shellfish aquaculture operations. Auburn University Extension is also contributing to this important effort by making training and business planning assistance available to current and prospective commercial shellfish growers.

The Coastal Alabama Fisheries Fund is a revolving loan fund to support local fisheries and fishing communities with an initial focus on the oyster industry. This low-interest loan fund allows oyster farmers and tongers in Mobile and Baldwin counties to easily access small amounts of capital to support their businesses, create jobs, and harvest oysters.

General Requirements

1. The borrower must be a resident of Alabama proposing the establishment, development, or maintenance of an oyster aquaculture operation in waters conditionally approved by the Alabama Department of Public Health.

Eligibility Criteria

1. An applicant must have or obtain a final easement and notice to proceed from Alabama State Lands Division (ASLD) for any aquaculture project.
2. An applicant must demonstrate that the proposed use of funds for shellfish aquaculture production will begin within 12 months of loan approval.
3. An applicant must demonstrate technical knowledge of oyster aquaculture, either through completing the Auburn University Extension Shellfish Lab's Oyster Farming Fundamentals or equivalent professional, educational, or developmental experience.
4. A credit report will be pulled for this application process. A credit bureau score of at least 640 and no bankruptcy within the last five years will be preferred. For borrowers with credit scores of less than 640, mitigating circumstances will be taken into consideration. Borrowers will be the guarantors of these loans.
5. Equity of at least 10% of loan amount (as a cash contribution used to implement the aquaculture project -- however, ownership of a commercial workboat or other equipment could help to satisfy this requirement).
6. All applicants must have production and business plans that demonstrate the financial feasibility of the planned aquaculture operation, along with various other required attachments and any fees outlined in this application.

Lending Limits

- \$2,000 to \$10,000

Loan Terms/Costs

- Seed – maximum of 2 years (18 months interest-only and remainder P&I)
- Capital Equipment – maximum of 7 years (1-3 years interest-only and 4 years P&I)
- Blended Purchases – maximum of 6 to 7 years (1-3 years interest-only and 4 years P&I)

Interest Rate

- 3.00% - 5.25%

The rate is lower during the first one to three years of the term of the loan depending on the length of the interest-only period that is needed.

Uses of Funding

This fund is for commercial aquaculture projects, with approved business plans, to raise oysters in the waters of the Mobile and Baldwin counties. For this funding, all of the requested loan proceeds would be used to purchase:

- seed (or larvae)
- capital equipment or infrastructure (equipment or infrastructure directly related to the aquaculture production of oysters)

On-bottom and water column (i.e., cages or floats) aquaculture production projects are all potentially eligible to be funded. The purchase of motor vehicles, including boats and trucks, are not eligible expenses under this program.

Collateral Security

- None

These loans do not require traditional collateral security. Only the personal guarantees of all borrowers will be required. In addition, if a shellfish crop insurance product becomes commercially available in the future, borrowers must then purchase appropriate coverage and make CAFF a loss payable assignee for the amount of the loan obligation. USDA offers partial crop insurance at no cost to oyster farmers.

Loan Review and Approval Process/Timeline

Week one

- Application Received

Week two

- Review and Approval

Week three

- Disbursement

Timeline is typical based on receiving a completed application.

The goal of this program is to help fund applications that have the best chance of success in terms of financial viability and getting shellfish to market. A Shellfish Aquaculture Financing Committee will evaluate the credit worthiness of the prospective borrower(s), as well as the viability of the proposed project production and business plan (including the financial projections) that are required to be submitted with the application for financial assistance. Projects with insufficient production and business plans and future projections of positive cash flows will not be approved; however, these may be revised and resubmitted in the future.

Loan Disbursement

Loan amounts will be dispersed to the borrower either via direct deposit if they choose to open an account with CAFF Financial Partner or by check.

Resources

A shellfish aquaculture business planning template and other useful information concerning shellfish aquaculture can be found online at www.alaquaculture.com.

Submission

All applications to the Coastal Alabama Fisheries Fund (including any required attachments) should be submitted as soon as completed as loans will be processed in the order they are received. Additional information about the Coastal Alabama Fisheries Fund is provided below. A project financing submission checklist is included at the end of the application form which should be reviewed carefully.

Send a completed and signed original application form, including all the required attachments, to:
Coastal Alabama Fisheries Fund
118 N Royal St Suite 601
Mobile, AL 36602

SECTION 1: APPLICANT INFORMATION

Business/Individual Name _____

Business Address _____ County _____

City _____ State _____ Zip Code _____

Contact Person _____ Title _____

Work Telephone _____ E-mail _____

Home Telephone _____ Mobile Phone _____

SHELLFISH AQUACULTURE LOAN REQUEST INFORMATION

Alabama Department of Public Health Aquaculture Number _____

(Or, if in process, please indicate the date that you applied for your ADPH AQ Number): _____

Total Amount of Funds Requested: \$ _____ **Term Requested: _____ years**

Use of Funds	Amount
	\$
	\$
	\$
	\$
	\$

Sources of Borrower Equity (or Cash) to Help Pay for the Project:

Source	Amount
	\$
	\$
Total	\$

Production Assets:

(List major shellfish production assets that are currently owned by you including workboats, upwellers, tumblers, etc.)

Production Assets	Est. Value	Lien Holders (bank. etc.)	Amount Owed
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$

BUSINESS STRUCTURE

Year & State Established/Incorporated _____

Corporation Partnership Proprietorship Agricultural Cooperative LLC

SECTION 2: PROJECT INFORMATION

BRIEF DESCRIPTION OF PROJECT

In addition to briefly describing your project, please be sure to explain how the funds from this loan will aid production of shellfish on your farm. Also, please include specific information about what will be purchased with these funds.

Where are you going to purchase shell/substrate and larvae/seed from?

What will you pay for the shell or substrate? \$_____ per _____ (Delivery included: Y / N)

And, if applicable, when will it be moved to your farm? _____

EMPLOYMENT DATA RELATED TO THE AQUACULTURE BUSINESS

of full-time jobs current _____ # of NEW full-time jobs projected within 36 months _____

of part-time jobs current _____ # of NEW part-time jobs projected within 36 months _____

PROJECT ADVISOR(S) (If Applicable)

1-Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

2-Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

SECTION 3: MANAGEMENT/OWNERSHIP

1-Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

ADPH Aquaculture Number _____ Email _____

2- Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

ADPH Aquaculture Number _____ Email _____

3- Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

ADPH Aquaculture Number _____ Email _____

4- Name _____ Title _____

Social Security # _____ Date of Birth _____ % Ownership _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

ADPH Aquaculture Number _____ Email _____

(Please attach additional sheets if necessary)

LAND-BASED FACILITIES (if any)

If Owned

Size(acres) _____ Location _____

If Leased

Size(acres) _____ Location _____

Type and # of buildings/structures _____

DECLARATIONS

If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach. (Note: Answering "yes" to any question is not necessarily disqualifying.)

1. Is the business or any of the top management personnel an endorser, guarantor or co-signer for obligations not listed on its/their financial statements?

Yes No

2. Is the business or any of the top management personnel a party to any claim or lawsuit?

Yes No

3. Has the business or any of the top management personnel ever declared bankruptcy?

Yes No

4. Does the business or any of the management personnel owe any taxes for prior years?

Yes No

5. Have any managers or owners received a felony conviction?

Yes No

6. Have any managers or owners received a natural resources violation?

Yes No

SECTION 4: SIGNATURES

EQUAL CREDIT OPPORTUNITY ACT (15 U.S.C. 1691)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

AUTHORITY TO COLLECT PERSONAL INFORMATION

This information is provided pursuant to Public Law 93-579 (Privacy Act of 1974). Effect of Non-Disclosure: Omission of an item means your application might not receive full consideration.

I/We authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the project financing. I/We waive all claims against either Coastal Alabama Fisheries Fund.

I/We realize that if I/We do not comply with the aforementioned Certification, my/our loan can be called, terminated or repayments accelerated.

I/We authorize Coastal Alabama Fisheries Fund to obtain any additional financial information concerning me/us from any source which Coastal Alabama Fisheries Fund reasonably requires in order to determine whether to make the requested loan, including credit histories, credit reports, and credit scores.

CERTIFICATION

I/We certify all information in this application and the attachments is true and complete to the best of my/our knowledge and is submitted so that Coastal Alabama Fisheries Fund and its Committee can decide whether to offer financial assistance.

Signature _____ Signature _____

Printed Name _____ Printed Name _____

Date _____ Date _____

Signature _____ Signature _____

Printed Name _____ Printed Name _____

Date _____ Date _____

SECTION 5: ATTACHMENTS CHECKLIST

PLEASE REVIEW THIS CAREFULLY TO MAKE SURE THE FOLLOWING INFORMATION IS INCLUDED WITH YOUR SUBMISSION

1. Description and history of the applicant individual or company.
2. A copy of the deed or lease (if it has been approved).
3. Production and business plan for the project to receive financing (including 3 years of financial projections).
4. Applicant *and* business operation tax return(s) for the preceding year (please include all schedules).
5. Completed Balance Sheet (attachment 1).
6. Completed Pro Forma Income Statement (attachment 2 – 6 pages).
7. Completed Debt Repayment Schedule (attachment 3).
8. A signed original application and all attachments.

Any questions or concerns a borrower has in providing this information should be directed to the Coastal Alabama Fisheries Fund through Henry Perkins. The CAFF will identify or provide resources to help develop these documents to a reasonable extent.

Henry Perkins can be contacted via email at hperkins@mobilebaynep.com or via phone at 251-380-6455.

Note: Coastal Alabama Fisheries Fund agrees to hold Recipient's Application and Financial Reports in confidence to the extent reasonably permitted by Alabama financial law. Notwithstanding the foregoing, Coastal Alabama Fisheries Fund shall not be obligated to maintain in confidence any information: 1) which was already known to Coastal Alabama Fisheries Fund; or, 2) which is or comes into the public domain through no fault of Coastal Alabama Fisheries Fund; or, 3) which is independently developed by Coastal Alabama Fisheries Fund; or, 4) which comes to Coastal Alabama Fisheries Fund from a third party which is not in violation of any obligation of confidentiality to Applicant or Coastal Alabama Fisheries Fund.

Balance Sheet

(Please fill out a separate balance sheet for each guarantor and the business, when applicable.)

Balance Sheet Date: _____

Assets

Liabilities

Current Assets

Current Liabilities

Cash	_____
Accounts Receivable	_____
Notes Receivable	_____
Savings Accounts	_____
Seed Oysters	_____
Bushel (or yards) of Shell	_____
Other Current Assets	_____
Current Assets	_____
_____	_____
_____	_____
Commercial Workboat	_____
Automobiles and Trucks	_____
Machinery & Equipment	_____
Shops & Supplies	_____
Other	_____
IRA/401K Retirement Accts	_____
Waterfront Land	_____
Acres	_____
Farmland	_____
Acres	_____
Acres	_____
Acres	_____
Forest Land	_____
Acres	_____
Acres	_____
Acres	_____
Residence	_____
Other Real Estate (specify):	_____
_____	_____
Non-Current Assets	_____
Total Assets	_____

Accounts Payable	_____
Credit Cards (specify):	_____
_____	_____
_____	_____
Notes Payable (specify):	_____
_____	_____
_____	_____
Other Liabilities	_____
Current Liabilities	_____
_____	_____
_____	_____
Current Portion of Long-Term Debt*	_____
_____	_____
_____	_____
Mortgages (specify)	_____
_____	_____
_____	_____
Car & Workboat Loans (specify):	_____
_____	_____
_____	_____
Other long-term Loans (specify):	_____
_____	_____
_____	_____
Non-Current Liabilities	_____
Total Liabilities	_____
Total Liabilities	_____

Income Statement

(Revenue and expense projections for the **Current Year**)

Business Income and Expenses

Income

Sales of:	
Rental Income	
Fishing Income	
Other Income (Specify)	

Less Cost of Spat & Shell	
Gross Business Income	

Expenses

Advertising	
Workboat Expenses	
Car/Truck Expenses	
Salaries & Wages	
Labor Hired	
Consultants	
Consumable Equipment	
Repairs, Maintenance	
Freight, Trucking	
Gasoline, Fuel, Oil	
Insurance	
Rent of Machinery & Equip	
Rent of Farm, Pasture	
Storage, Warehousing	
Utilities	
Miscellaneous Expenses (Specify)	

Total Business Expenses	
Net Business Income	

Income Statement

(Revenue and expense projections for **Year 1** of the project)

Business Income and Expenses

Income

Sales of:

Rental Income _____

Fishing Income _____

Other Income (specify) _____

Less Cost of Spat & Shell _____

Gross Business Income _____

Expenses

Advertising _____

Workboat Expenses _____

Car/Truck Expenses _____

Salaries & Wages _____

Labor Hired _____

Consultants _____

Consumable Equipment _____

Repairs, Maintenance _____

Freight, Trucking _____

Gasoline, Fuel, Oil _____

Insurance _____

Rent of Machinery & Equip _____

Rent of Farm, Pasture _____

Storage, Warehousing _____

Utilities _____

Miscellaneous Expenses (Specify) _____

Total Business Expenses _____

Net Business Income _____

Income Statement

(Revenue and expense projections for **Year 2** of the project)

Business Income and Expenses

Income

Sales of:

Rental Income	
Fishing Income	
Other Income (specify)	
Less Cost of Spat & Shell	
Gross Business Income	

Expenses

Advertising	
Workboat Expenses	
Car/Truck Expenses	
Salaries & Wages	
Labor Hired	
Consultants	
Consumable Equipment	
Repairs, Maintenance	
Freight, Trucking	
Gasoline, Fuel, Oil	
Insurance	
Rent of Machinery & Equip	
Rent of Farm, Pasture	
Storage, Warehousing	
Utilities	
Miscellaneous Expenses (Specify)	
Total Business Expenses	
Net Business Income	

Income Statement

(Revenue and expense projections for **Year 3** of the project)

Business Income and Expenses

Income

Sales of:

Rental Income	
Fishing Income	
Other Income (specify)	
Less Cost of Spat & Shell	
Gross Business Income	

Expenses

Advertising	
Workboat Expenses	
Car/Truck Expenses	
Salaries & Wages	
Labor Hired	
Consultants	
Consumable Equipment	
Repairs, Maintenance	
Freight, Trucking	
Gasoline, Fuel, Oil	
Insurance	
Rent of Machinery & Equip	
Rent of Farm, Pasture	
Storage, Warehousing	
Utilities	
Miscellaneous Expenses (Specify)	
Total Business Expenses	
Net Business Income	

Business Debt Repayment Schedule

Date: _____

Lender and Loan Number	Original Amount	Date Incurred	Interest Rate	Payments Per Year	Amount of Periodic Payment	Loan Balance
Annual Totals						